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**Robert G. Schoenberger**

**Chairman of the Board  
& Chief Executive Officer**

April 8, 2002

**James Connolly, Esq.  
Chairman  
Commonwealth of Massachusetts  
Dept. of Telecommunications & Energy  
One South Station  
Boston, MA 02110**

Dear Chairman Connolly:

Last year at about this time a window of opportunity for competitive electric market development began to open in the Commonwealth of Massachusetts. Through the Competitive Initiatives proceeding (D.T.E. 01-54), the Department under your leadership took a variety of important steps to facilitate this process. Overall those efforts have been quite helpful to the growth of competitive market activity; particularly the efforts aimed at increasing the degree of support for the transition among the distribution utilities.

Today Usource has more than 50 electric customers in Massachusetts representing over 250 million kWh in annual usage. We also have close to 30 customers signed up waiting to transact electric deals. This activity proves customers will shop under the right market conditions.

Unfortunately, I believe that the current window of opportunity has begun to close, due largely to anticipated declines in Standard Offer and Default Service pricing and the recent upward movement in competitive wholesale electric prices. Some of the largest customers in certain areas of the state are likely to continue to see attractive competitive market offers but most of the state's consumers will not. Suppliers may not leave the state entirely but they will stop looking for customers.

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I hope the slow down is brief and that it is followed in 2003 and 2004 by a renewed competitive vigor. I also hope that the Department and other policy leaders in the state take the opportunity to support the building of needed infrastructure and the establishment of an appropriate framework relative to default service, so that the

competitive market will be able to flourish in 2003 and 2004 as we approach the end of the transition period in 2005.

I urge you to pursue policies relative to Default Service that will encourage the development of competitive market options for all customers. Default Service should be a "last resort" for customers, not the "first and only resort". Distribution utilities should be given the obligation to assure that a supply is always available to a customer, but should not be asked or allowed to provide the safest and best option available in the marketplace.

I also recommend that you carefully consider implementing some form of our Usource Proposal as a means of developing the necessary infrastructure under which all customers, of whatever size, will be assured access to reasonable competitive supply offers. Usource is prepared to work with the Department, the Distribution utilities and other parties to deploy a technology platform through which customers large and small can be equally and fairly brought to the competitive market. Usource is the only supply-neutral energy broker active in Massachusetts today and we believe Usource is the only company presently in a position to develop and deploy the necessary technology on a working basis in the timeframe required.

I look forward to hearing further from the Department relative to the proposals in D.T.E. 01-54, as well as to the legislature's energy policy development. Please let me or my staff know if there is any additional information or support we can provide.

Sincerely,



Robert G. Schoenberger

CC: Service List, D.T.E. 01-54  
Representative Daniel E. Bosley  
Hon. Robert Keating, Commissioner  
Hon. Diedre Manning, Commissioner  
Hon. Eugene Sullivan, Commissioner  
Hon. Paul Vasington, Commissioner  
Ronald LeComte, Director, Electric Power Division  
Joseph Rogers, Assistant Attorney General